



DEFENSE FINANCE AND ACCOUNTING SERVICE

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DFAS-HQ/FMM

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
CLEVELAND CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
DENVER CENTER

SUBJECT: Update to the Department of Defense Financial
Management Regulation (DoDFMR), Volume 7, Part B,
Termination of Survivor Benefit Plan (SBP)
Participation (DFAS Item G-71)

This is DFAS Interim Change R9-98 to the DoDFMR, Volume 7B.
The change was effective May 17, 1998.

We have evaluated your comments on the draft change to the DoDFMR, Volume 7B. The attached final version of the change includes your comments where appropriate. Assignment of an interim change number is your authority to initiate a procedural modification to facilitate this change. For Denver Center, use the attached to initiate the formal printed change to the DoDFMR, Volume 7B.

Our point of contact is Mr. Fiti Malufau. He may be contacted at DSN 327-5061 or (703) 607-5061. Our fax number is DSN 332-5271 or (703) 602-5271.

Gregory P. Bitz
Director for Finance

Attachment:
As stated

CC: DASD (MMP) (COMP)
ODGC (F)
DFAS-DE/DG
Service Liaisons
USCG/NOAA/PHS Liaisons

retired member's file.

(5) A member's participation terminates on the first day of the month following the month in which DFAS receives a request for discontinuance. Any premiums deducted for periods on or after the effective date shall be refunded and the member notified of the final action concerning termination of coverage.

(6) A member may withdraw the request to discontinue participation within 30 days of having submitted such request to DFAS. The 30-day period begins on the date that DFAS considers the withdrawal request received. Generally, this is the received date stamped on the DD Form 2656-2 by DFAS.

(a) To withdraw the request to discontinue SBP participation, the member must notify DFAS-Cleveland Center by a legible, signed, written notice. The request identifies the member by name and social security number and states that the member no longer wants to discontinue SBP participation. If available, the request should include a photocopy of the original DD Form 2656-2.

(b) If the member withdraws a request to discontinue participation within the prescribed 30-day period, the member's participation shall not be discontinued. If the withdrawal notice is received after the prescribed date, it shall have no effect and the member shall be so notified within 30 days. However, if the member provides proof of the date of mailing and such date is favorable to honoring the member's withdrawal request, that date of mailing shall serve as the date submitted.

(c) If the member effectively withdraws a request to discontinue participation, that member shall be so notified within 30 days. If participation had already been discontinued, it shall be reinstated as though no break in coverage existed. Premiums not collected or paid, or that were refunded shall be collected from that member's retired pay and the member notified of the final action concerning participation.

(7) Once participation is discontinued under this provision, no benefits may be paid in conjunction with the member's previous participation. No refund of any premiums

properly collected shall be made. The member may not resume participation in SBP for any category of beneficiary.

(8) A member who discontinues SBP participation may not later elect SBP coverage upon acquisition of another class of beneficiary."

3. Change the reference in paragraph 90103h from paragraph "90209" to "90207e and 90209."

4. Change the reference in paragraph 90209a(1) from paragraph "90208c" to "90208a(3)."

5. Change the reference in paragraph 90209a(1) from "90205a(4) and (5)" to "90205a(5) and (6)" in both places where it appears.

6. Redesignate paragraph 90405e as 90405f and add the following new subparagraph e:

"e. If a member voluntarily discontinues SBP participation under paragraph 90208a, the premium terminates on the effective date of the election which is the first day of the month following the date of the receipt of the request. Any premium deducted for periods on or after such effective date shall be refunded and the member notified of the final action concerning termination of coverage."

7. Revise Table 9-4-4, Suspension and Termination of Cost, by adding a new rule 10:

RULE	A	B	C	D
	If a member	then cost is	with an effective date	and member is
		Term.	Susp.	
"10	discontinues SBP participation on the second anniversary	x	the first day of the month after receipt of request"	-

8. Revise paragraph 100203 by adding subparagraph j:

"j. A member voluntarily discontinues RCSBP participation upon the second anniversary of the date of commencement of retired pay under paragraph 90208a."

9. Revise paragraph 100405e by adding subparagraph (5):

"(5) If a member voluntarily discontinues RCSBP participation as shown under paragraph 90208a, the premium terminates on the effective date of election which is the first day of the month following the date of receipt of the request. Any premium deducted for periods on or after such effective date are refunded and the member notified of the final action concerning termination of coverage."

10. Bibliography Changes/Additions:

(Delete)	90204a(6)	
(Add)	90204a(5)	10 U.S.C. 1448(b)(1)(B)
(Change)	90208a(1)(d)	to 90208c(1)(d)
	90208a(2)	to 90208c(2)
(Add)	90208a	10 U.S.C. 1448a Public Law 105-85, Sec. 641(b), 18 Nov 1997 ASD/FM&P Memorandum, 6 May 1998
(Add)	90405e	ASD/FM&P Memorandum, 6 May 1998
(Add)	Table 9-4-4, rule 10	10 U.S.C. 1448a
(Add)	100203j	10 U.S.C. 1448a
(Add)	100405e(5)	10 U.S.C. 1448a ASD/FM&P Memorandum, 6 May 1998

1. Revise Part Nine, SBP, by changing paragraph 90204a to read:

“a. An election by a pre-21 Sep 1972 retiree on the basis of adequate information concerning the plan or an election by a post-21 Sep 1972 retiree (unless revoked or changed before the first day of retirement) is irrevocable, except under the following circumstances:

(1) A member retired 1 Mar 1986 or later, elected less than maximum SBP coverage without the spouse's concurrence, and the Secretary concerned later determines that the spouse's concurrence in such election was appropriate.

(2) A member voluntarily discontinues SBP participation upon the second anniversary of the date of commencement of retired pay under paragraph 90208a.

(3) The Secretary concerned revokes an election when necessary to correct an administrative error. Revocation or correction based on administrative error is a Secretarial prerogative and, except when procured by fraud, is final and conclusive on all officers of the United States.

(4) A member discontinues participation as a totally disabled member under paragraph 90208c.

(5) A member voluntarily terminates SBP coverage for a natural person with an insurable interest (not a former spouse) under paragraph 90208b.

(6) A mentally incapacitated member is later determined to be mentally competent and revokes or changes the SBP election within 180 days after such determination of judgment.

(7) A member who became an SBP participant between 19 Oct 1984 and 8 Nov 1985 elects to withdraw from SBP before 8 Nov 1986 under section 711 of Public Law 99-145.”

2. Redesignate subparagraph 90208a as 90208c and add the following new subparagraph 90208a:

"a. Discontinuance of SBP Participation on Second Anniversary.

(1) An SBP participant may choose to voluntarily discontinue SBP participation during a one-year period which begins on the second anniversary of the date of commencement of retired pay. The date of commencement of retired pay is defined as the date that the retiree becomes entitled to retired pay. A member whose second anniversary occurred before 17 May 1998 has until 16 May 1999 to request discontinuance. A recall to active duty following retirement will not alter this date. No request to discontinue participation shall be effective before 17 May 1998.

(2) An SBP participant who is eligible to discontinue participation sends a written request to the DFAS-Cleveland Center on DD Form 2656-2. A request for information or a request for termination that is not on DD Form 2656-2 is not a request to discontinue. A married participant may not discontinue spouse coverage without the spouse's written concurrence, unless it is established that the spouse's whereabouts cannot be determined or that, due to exceptional circumstances, obtaining the spouse's consent is otherwise inappropriate. If the SBP participant is providing former spouse coverage based on a court order, an amended court order should accompany the request, even if the former spouse concurs with the request.

(3) A spouse or former spouse who concurs in the request for termination is considered notified in accordance with 10 U.S.C. 1448(a). A spouse or former spouse who changes his/her mind after concurrence has 30 days from the date of the first request to submit a letter withdrawing their concurrence. If concurrence is withdrawn within 30 days, the request to withdraw from SBP participation is void. The concurrence of the former spouse is applicable even though the coverage may be currently in a suspended status due to the former spouse's remarriage. Child concurrence is not required when a member elects to discontinue SBP participation for child coverage.

(4) DFAS shall ensure that a natural person or former spouse who is not required to concur in the request for termination is notified of the termination of SBP coverage by sending a letter to such beneficiary at the address in the